Applying these principles to the instant case, we have no difficulty concluding that the mark "Micro," as applied to wheel weights, is merely descriptive. Both in its advertising and in its brief here, plaintiff contends that its system allowed wheels to be balanced with weights of the smallest possible size. "Micro" appears in dictionaries and in common usage as a combining form meaning extremely small, or tiny. Plaintiff's mark, therefore, is exactly analogous to other marks relating to the size of goods which have been held merely descriptive. *George Ziegler Co. v. Tom Huston Peanut Co.*, 181 F.2d 237 (C.C.P.A. 1950); *Little Tavern Shops v. Davis*, 116 F.2d 903 (4th Cir. 1941); *Keller v. Chicago Pneumatic Tool Co.*, 298 F. 52 (7th Cir. 1923).

Equally descriptive is the mark "Micro-Precision," as applied to wheel balancers and weights. Certainly the element "Precision," as applied to a balancer or balancing weight, conveys merely that the system of balancing is accurate and precise; the term is descriptive, and it has been so held. *Precision Apparatus Co. v. Precision Meter Co.*, 6 Misc.2d 817, 165 N.Y.S.2d 853 (1956).

The addition of the element "Micro" only strengthens the meaning, and denotes that the system is more than ordinarily accurate and precise. It is true that "micro" in this sense appears in no dictionary, and were we grammarians we should perhaps flinch at its use. Be that as it may, we are required to consider standards of meaning not our own, but prevalent among prospective purchasers of the article. *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 699 (2d Cir. 1961). And, however barbarous the use, we

have no doubt that in the jargon of the trade "micro" functions as little more than an inexact intensified for "precision."

We think, therefore, that the District Court erred in holding the plaintiff's trademarks non-descriptive. Since no showing as to secondary meaning has been made, the judgment as to the validity of the trademarks must be reversed.

Affirmed in part, reversed in part.

Order of the Court of Appeals Denying Petition for Rehearing.

In the United States Court of Appeals for the Ninth Circuit.

The Bada Company, a California corporation, Plaintiff-Appellant, Cross-Appellee, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant-Appellee, Cross-Appellant. No. 23,436.

The Bada Company, a California corporation, Plaintiff-Appellant, Cross-Appellee, v. FMC Corporation, A Delaware corporation; Weaver Manufacturing Co., A Division of Dura Corporation, a Michigan corporation, Big Four Industries, Incorporated, an Ohio corporation, Defendants-Appellees, Cross-Appellants. No. 23,433.

ORDER

Before: DUNIWAY, HUFSTEDLER and WRIGHT, Circuit Judges.

The petition for rehearing is denied.

DATED: June 2, 1970.

Eugene A. Wright
Circuit Judge

Order of the Court of Appeals Staying Its Mandate Until September 2, 1970.

In the United States Court of Appeals for the Ninth Circuit.

The Bada Company, Plaintiff-Appellant vs. FMC Corporation, Defendant-Appellee No. 23433.

The Bada Company, Plaintiff-Appellant vs. Montgomery Ward & Company, Inc. Defendant-Appellee No. 23436.

ORDER STAYING ISSUANCE OF MANDATE

Upon application of C. RUSSELL HALE counsel for the Appellant, and good cause appearing, IT IS ORDERED that the issuance, under Rule 41(a) of the Federal Rules of Appellate Procedure, of the certified copy of the judgment of this Court in the above cause be and hereby is stayed pending the filing, consideration and disposition by the Supreme Court of the United States of a petition for writ of certiorari to be made by the Appellant herein, provided such petition is filed in the Clerk's Office of the Supreme Court of the United States on or before September 2, 1970.

In the event the petition for writ of certiorari is granted, then this stay is to continue pending the final disposition of the case by the Supreme Court of the United States.

Eugene A. Wright
United States Circuit Judge.

DATED: SAN FRANCISCO, CALIF. JULY 30, 1970.

Judgment of the District Court.

Entered June 28, 1968

In the United States District Court, Central District of California.

The Bada Company, a California corporation, Plaintiff, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant. *Civil Action No. 62-1517-WPG.*

The Bada Company, a California corporation, Plaintiff, v. FMC Corporation, a Delaware corporation, et al., Defendants. Civil Action No. 62-1525-WPG.

JUDGMENT

This action came on regularly for trial by the Court without a jury, Honorable William P. Gray, District Judge, presiding. In accordance with the Court's Findings of Fact and Conclusions of Law, it is ORDERED, ADJUDGED AND DECREED:

1. That Claims 1, 5 and 8 of United States Letters Patent No. 3,055,221 and Claims 1 and 2 of United States Letters Patent No. 3,002,388 are invalid.

2. That the claims of plaintiff directed to the infringement of United States Letters Patent Nos. 3,055,221 and 3,002,388 by each of the defendants herein are dismissed.

3. That plaintiff's trademarks MICRO-PRECISION and MICRO as applied to wheel balancers and weights and the registrations therefor Nos. 615,732; 686,839; 674,516; 686,840; and 689,867 are good and valid in law.

4. That defendants Wards, Big Four and FMC have infringed plaintiff's trademarks MICRO-PRECISION and MICRO.

5. That defendant Wards, its employees, privies, successors and assigns and any and all persons acting by or under authority from Wards are hereby permanently enjoined and restrained from using the trademark MICRO-PRECISION or any colorable imitation thereof in connection with the sale or offering for sale of wheel weights or related products or services except in its specific stores where Wards is still utilizing one of plaintiff's balancers or selling plaintiff's wheel weights, and such persons are also permanently enjoined from advertising in any manner that they are using MICRO-PRECISION wheel weights when not using such weights, irrespective of whatever balancer may be used.

6. That defendants FMC and Big Four and each of them jointly and severally and their employees, privies, successors and assigns and any and all persons acting by or under authority from said defendants are hereby permanently enjoined and restrained from using the trademark MICRO BALANCE or any other colorable imitation of plaintiff's trademarks MICRO-PRECISION and MICRO in connection with the sale or offering for sale of any wheel balancers and wheel weights or any similar or related products.

7. That plaintiff have judgment against defendant FMC in the sum of $3,325.00 and against defendant Big Four in the sum of $3,325. for infringement of its trademarks MICRO-PRECISION and MICRO.

8. That plaintiff have judgment against defendant Wards in the sum of $5,700.00 for infringement of its trademarks MICRO-PRECISION and MICRO.

9. That the counterclaims by defendants Wards and FMC are dismissed.

10. That each of the parties hereto shall bear its own costs herein.

11. That none of the parties hereto is entitled to recover attorneys' fees herein.

DATED this 28th day of June, 1968.

/s/ William P. Gray

United States District Judge.

Findings of Fact and Conclusions of Law of the District Court.

Entered June 28, 1968

In the United States District Court, Central District of California.

The Bada Company, a California corporation, Plaintiff, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant. Civil Action No. 62-1517-WPG.

The Bada Company, a California corporation, Plaintiff, v. FMC Corporation, a Delaware corporation, et al., Defendants. Civil Action No. 62-1525-WPG.

FINDINGS OF FACT AND CONCLUSIONS OF LAW.

This cause coming on for Hearing the 24th day of June 1968 on DEFENDANTS' MOTION TO RE-OPEN THIS MATTER FOR FURTHER HEARING FILED THIS 24TH DAY OF MAY, 1968 and PLAINTIFF'S MOTION TO FINALIZE THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT IN THE ABOVE ACTIONS, the parties having filed their respective Memoranda and having made their oral presentations in open court and the Court being fully advised based upon the records, pleadings and evidence before the Court, hereby makes its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

Jurisdiction and Parties

1. Plaintiff, The Bada Company, (hereinafter sometimes referred to as "Bada") is a corporation organized and existing under the laws of the State of California and has its principal place of business in Pasadena, California.

2. Defendant, Montgomery Ward & Co., Incorporated, (hereinafter sometimes referred to as "Wards") is a corporation organized and existing under the laws of the State of Illinois and having a regular and established place of business in Alhambra, California.

3. Defendant, FMC Corporation, (hereinafter sometimes referred to as "FMC") is a corporation organized and existing under the laws of the State of Delaware and has a regular and established place of business in South Pasadena, California.

4. Defendant, Dura Corporation, (hereinafter sometimes referred to as "Dura") is a corporation organized and existing under the laws of the State of Michigan and has a regular and established place of business in Los Angeles, California.

5. Defendant, Big Four Industries, Inc., (hereinafter sometimes referred to as "Big Four") is a corporation organized and existing under the laws of the State of California and has a regular and established place of business in Los Angeles, California.

6. The plaintiff Bada and defendant FMC are engaged in the manufacture and sale of wheel balancers and weights for use in balancing automobile and truck wheels. Defendants Dura and Big Four sell wheel balancers and wheel weights manufactured by FMC. Defendant Wards utilizes FMC wheel balancers and sells wheel weights in connection with balancing automobile and truck wheels for the public.

7. Two separate actions filed by plaintiff against Wards and against FMC, Big Four and Dura were consolidated for trial on one record pursuant to the Order of this Court dated on or about April 13, 1964.

8. In the actions the plaintiff alleges infringement of two of the plaintiff's patents, one relating to a wheel balancer and the other relating to a method of balancing wheels. The actions also involve an allegation of infringement of the plaintiff's registered trademarks MICRO and MICRO-PRECISION by Wards, Big Four and FMC. The defendants Wards and FMC counterclaimed for a violation of the anti-trust laws relating to the plaintiff's alleged misuse of its patents and trademarks.

9. This Court has original jurisdiction of these actions pursuant to the provisions of 28 U.S.C. §1338 as to the patent and trademark claims and pursuant to the provisions of 28 U.S.C. §1337 and 15 U.S.C. §4 for the anti-trust claims.

Infringement of Patent No. 3,055,221

9-A. United States Letters Patent No. 3,055,221 (hereinafter referred to as Patent '221) issued on September 25, 1962 to Fred J. Bageman as joint inventor and also as full owner of the patent by assignment of the interest of the joint inventor Charles Francis.

10. The plaintiff acquired title to this patent from Fred J. Bageman, together with all right of action for past infringement, at the latest by January 4, 1963 by written recorded assignment executed by Fred J. Bageman as assignor.

11. The plaintiff in the Pre-Trial Order and in the Amended Complaints filed by Order of this Court on May 24, 1966 charges all defendants with infringement of Claims 1, 5 and 8 of this patent.

12. The apparatus disclosed in Patent '221 is a static wheel balancer of a type having a pivot on which

the wheel being balanced is centered and supported in a substantially horizontal position by a wheel support member. The wheel support member and wheel are free to tilt from the horizontal in any direction because of any weight unbalance of the wheel relative to its center. A bubble indicator is carried by the pivot and tilts with the wheel, the indicator showing any deviation of the wheel from the horizontal. The pivot point rests on a pedestal that can be raised and lowered by a control handle. When the pedestal is lowered the pivot and wheel are lowered so that the wheel weight rests on the frame of the balancer and the pivot is physically separated from the pedestal. When the pedestal is raised the wheel is lifted so that the full weight of the wheel is carried by the pivot and the wheel is free to tilt about the pivot. The pedestal is raised and lowered by a cam operated by the control handle, the handle being moved from an "off" position to an "on" position to rotate the cam and raise the pedestal.

13. The invention of Patent '221 in issue involves a wheel balancer in which biasing means such as a spring acts on the control handle and is arranged to move the handle to the "off" position when the weight of a wheel is removed from the balancer. With the weight of a wheel present and the control handle in the "on" position the action of the spring is resisted by friction produced by the weight of the wheel acting through the pivot and pedestal against the cam surface. When the wheel is removed from the balancer the friction resisting the spring is reduced and the action of the spring moves the control handle, permitting the pedestal to be lowered and the pivot to be disengaged. This action provides automatic protection for the pivot,

since in replacing a wheel on the balancer, the weight of the wheel is always accepted by the frame instead of the pivot.

14. The accused devices are two models of static wheel balancers manufactured by defendant FMC and sold by defendants FMC, Dura and Big Four. The two models were purchased and used by defendant Wards. The defendants have manufactured, sold and/or used the accused devices since the issuance of Patent '221.

15. The first model of the accused devices, Exhibit 32, developed and sold by FMC is a static balancer in which a vertically movable pedestal is raised by a control handle secured to the lower end of the pedestal. The control handle rests on an inclined cam surface formed as part of the frame. Movement of the handle along the inclined surface raises and lowers the handle, thereby raising and lowering the pedestal. When raised, the pedestal engages a pivot, lifting the pivot and, through the pivot, raising the wheel support member centered on the pivot to transfer the weight of the wheel from the frame onto the pivot. A spring connected between the frame and the control handle urges the control handle in a direction to lower the pedestal. With the weight of a wheel present on the balancer the friction between the handle and inclined surface resists any movement of the handle by the spring, but when the weight of the wheel is removed the spring moves the handle and pedestal to a lowered position, disengaging the pivot.

16. The second model of the accused devices, Exhibit 35, is the same as the first model except that a second compression spring has been added between the

lower end of the pedestal and the frame. The second spring urges the pedestal upwardly with two pounds spring pressure into contact with the pivot, but does not have sufficient force to lift the pivot and wheel support member with or without a wheel present.

17. The second spring provides no significant function. It was added to the first model device after defendant became aware of the plaintiff's Patent '221 in an attempt to avoid the appearance of a separation between the pedestal and the pivot. The pedestal of the second model is still lowered in going to the "off" position, permitting the wheel support member to rest on the frame and thereby obtaining functional separation of the pivot from the load of a wheel.

18. The pivot in both models of the accused devices is detachably connected to the member on which the wheel is supported.

19. The first and second model of the accused FMC wheel balancers include each of the elements called for in Claims 1, 5 and 8 of Patent '221 or an equivalent thereof and each of the pertinent elements in the FMC balancers functions in the same way or performs the same work in the same way to produce the same result as do the corresponding elements of the patented wheel balancer.

Validity of Patent No. 3,055,221

20. At the time the inventors of Patent '221 conceived of the spring arrangement for automatically returning the control handle of the balancer to the "off" position when a wheel was removed from the balancer there was a need for this feature to protect the pivot. Balancers then in use required the operator to return the balancer to the "off" condition after balanc-

ing a wheel or to have the device unlatched to permit it to so return. If the operator neglected to do so the pivot could be damaged when placing another wheel onto the balancer.

21. No prior art static wheel balancer is shown by the record in which the pivot remains functionally engaged in load supporting condition with the weight of a wheel present, but which returns automatically to a functionally disengaged condition in response to the removal of the weight from the pivot. The record does, however, indicate that the automatic off concept in balancing or weighing operations was not new with the inventors of the '221 patent.

22. Plaintiff's own M-20 balancer, Exhibit 39, is exemplary of prior art static wheel balancers in which a control handle engages and disengages the pivot. In the M-20 balancer the pedestal is rigidly and immoyably attached to the frame. The pivot is lowered by moving the control handle downwardly along an inclined cam surface onto the top of the pedestal to place the pivot in balancing condition. No spring is provided to move the pivot to a disengaged condition when a wheel is removed from the balancer. The M-20 balancer is illustrated and described in United States Letters Patent No. 2,909,063—Bageman. This prior art Bageman patent was cited by the Patent Office during the prosecution of Patent '221.

23. The most pertinent prior art patent is Patent No. 2,592,804—Holl, cited by the Patent Office during prosecution of Patent '221. The Holl patent discloses a static wheel balancer having a foot-operated control lever. When pressed down this lever lifts a pedestal to engage a pivot, lifting the pivot and wheel into balanc-

ing position. A spring normally urges the pedestal down to disengage the pivot, but the lever can be locked in a notch to hold the pivot in operative position. There is no lifting cam or other arrangement for automatically releasing the lever when the weight of a wheel is removed from the balancer. However, if the lever has not been locked in the notch, or removal of the pressure of the operator's foot from the pedal the device will automatically disengage the pivot under action of the spring.

24. It was known in the prior art to disengage pivots in weighing scales to avoid shock damage to the pivots. Patent No. 2,002,411—Moxley, shows a hydraulically-operated mechanism for moving the pivots out of engagement when no load is on the weighing scale.

25. The advance taught by plaintiff's Patent '221 over the prior art M-20 balancer required only the addition of a spring and appropriate changes in the cam. It would be obvious to one skilled in the balancer art to use a spring in the same way as a spring is used to close a screen door, to move the handle of a prior art balancer, such as the M-20 balancer, in response to removal of weight from the balancer. The use of such a spring for an automatic "on-off" is done in the Holl patent.

Infringement of Patent No. 3,002,388

26. United States Letters Patent No. 3,002,388 (hereinafter referred to as Patent '388) issued on October 3, 1961. The plaintiff has been the owner of Patent '388 since its issuance. Patent '388 describes and claims a method for balancing wheels on a static

balancer. The method includes the steps of first positioning the wheel in a horizontal position on the balancer as defined in Claim 2 which accurately indicates any deviation of the plane of the wheel from the horizontal; placing successively heavier sets of four equal rim weights on rims adjacent the light spot, as shown by the balance indicator, until the lightest set of four weights which slightly overbalances the wheel are found. The weights are then moved in pairs circumferentially from each other and symmetrically about the light spot until balance is achieved. Then one weight from each pair is transposed to the corresponding circumferential position on the opposite side of the wheel and all four weights are then secured to the wheel rim. The method defined by Claim 1 of Patent '388 makes no mention of "more than one set of four equal weights or of successively placing heavier sets on the rim".

27. The plaintiff sells a set of three wheel weights called the ABC weights for use in the patented method. The plaintiff also encloses instructions teaching the patented method with each carton containing a balancer and an assortment of ABC weights.

28. The defendants FMC, Dura and Big Four sell sets of three sizes of weights designated AS1, AS2 and AS3 with their balancers or separately. The AS1, AS2 and AS3 weights corespond in weight value to the plaintiff's ABC weights. Each of the defendants FMC, Dura and Big Four have supplied instructions with their balancers since the issuance of Patent '388 which teach each and every step of the method covered by the claims of Patent '388.

28-A. The sets of wheel weights mentioned in Paragraphs 27 and 28 hereof are useful whether or not the method of their employment follows the '388 process.

29. The defendants FMC and Dura have followed the method covered by Patent '388 in balancing wheels for their customers and potential customers to sell their balancers and the set of three wheel weights. The defendants FMC, Dura and Big Four have actively sought to induce their customers to practice the method of the '388 patent by distributing instructions and otherwise teaching the use of the method in selling their balancers and weights.

30. The defendant Wards posted the FMC instructions teaching the patented method received with FMC balancers as well as posting the instructions of plaintiff teaching such method in their stores after they ceased buying wheel weights from Bada and since October 3, 1961.

31. Wards, through its employees, has in some instances used the method exactly as described in the FMC instructions as well as in plaintiff's instructions after they ceased using plaintiff's wheel weights and since October 3, 1961.

32. Wards, through its employees, has balanced wheels for the public using the method known as the Test Wate method and described in Exhibit 40 after they ceased using wheel weights of plaintiff and after October 3, 1961.

33. The Test Wate method is identical to plaintiff's method, except that two test weights are placed on the rim adjacent the light spot rather than four

weights. After balance is achieved with the two test weights they are each replaced by two weights, each having one-half the weight of the test weight, permitting the weights to be attached to opposite sides of the rim.

34. The use of two test weights is equivalent to the use of two pairs of wheel weights where each test weight is twice the weight value of one of the wheel weights. It makes no difference as far as practicing the method covered by plaintiff's Patent '388 whether test weights or wheel weights are employed if the same method steps are followed, such as set forth in the Test Wate instruction of Exhibit 40.

34-A. In practice, operators tend to take short cuts when using either plaintiff's or defendants' weights, as experience teaches them to recognize and select initially the correct weight size and place the weights in pairs on the rims at points of approximate final balance, after which any movement of the weights about the rim may be as well towards as away from the light point.

Validity of Patent No. 3,002,388.

35. Shifting of weight along a pivoted beam to achieve balance is old, as in a child's teeter-totter or in a beam-type weighing scale.

36. Starting at the light point to make maximum use of the weight available in counterbalancing a pivoted structure was a known concept prior to development of the patented method.

37. Dividing the balancing weight, when determined, between the two sides of a wheel rim is old in the art of wheel balancing.

38. The method covered by Patent '388 only involves combining the steps of starting with weights adjacent the light point, moving the weights apart to achieve balance and dividing the weights and putting half of the weights on the opposite side of the rim.

39. The combining of these steps, each of which is old, does not amount to invention, but is a matter of giving simple instructions to do a simple thing in a simple manner.

40. The prior art patents cited by the Patent Office disclose each of the steps of plaintiff's method patent to be old. Patent 2,052,295 - Hume; Patent 2,136,633 - Morse; and British Patent 731,459 - Booth disclose a method of wheel balancing wherein a pair of weights is applied at the light spot and is moved apart by "fanning" to achieve balance. Patent No. 2,592,804 - Holl has the concept of dividing the weight necessary to establish balance and attaching the two weights to opposite sides of the rim, as does Patent No. 2,700,892 - Lowe.

41. None of the prior art patents individually discloses the combination of all the steps in plaintiff's method.

42. The witness Vernon Dapper instituted a wheel balancing method prior to the time Mr. Bageman devised the method of Patent '388.

43. The Dapper method required placing of two pairs of weights 120° apart symmetrically on either side of the light spot, changing the size of the weights to achieve balance and transposing one weight of each pair to the opposite side of the rim. With the nine sizes of weights available to users of the Dapper meth-

od, some adjustment of weight position relative to the 120° points along the rim was necessary to achieve fine balance.

44. The manufacturer of the Challenger wheel balancer issued instructions on its use at a time to constitute prior art to the Patent '388. These instructions, issued as Exhibit B, state that if more than a three ounce weight at the light spot is necessary to achieve balance, two weights are placed at the light spot and moved apart along the rim to achieve balance and the weights are then divided equally and attached to opposite sides of the rim.

45. The instructions on balancing wheels put out by Moweco, Exhibit L, are part of the prior art and describe a method of balancing wheels in which two pairs of weights are affixed at 120° spacing along the circumference of the rim symmetrically about the light spot, with the weights of each pair being divided between opposite edges of the rim. The instructions do not provide that the weights be moved from the 120° points to adjust the balance.

46. The instructions on balancing wheels put out by Speedmaster, Exhibits K and O, are part of the prior art and show the use of two weights which are moved along the rim on the "high side". The weights are shifted to achieve balance. Then each weight is replaced by two weights of half the value which are attached to opposite sides of the rim. These instructions do not state how to select the particular sizes to achieve balance.

47. The specific method defined by the claims in Patent '388 was not in use by plaintiff or the inventor Bageman more than a year before Patent '388 was filed on March 4, 1957.

48. The method defined by the claims of Patent '388 would have been obvious to an ordinary skilled artisan in view of the prior art at the time the alleged invention was made.

49. There was no fraud on the Patent Office by Mr. Bageman in failing to specifically mention the Dapper method as prior art. The Dapper method did not include any concept not considered by the Patent Office. Mr. Bageman properly concluded that this method differed from the Dapper method.

Trademarks

50. Plaintiff is the owner of the following trademarks which were duly registered on the Principal Register of the United States Patent Office: MICRO-PRECISION and design, for machines for testing and balancing vehicle wheels, Registration No. 615,732, registered November 8, 1955; MICRO-PRECISION for use with vehicle wheel weights, Registration No. 686,839, registered October 20, 1959; MICRO-PRECISION and design, for vehicle wheel balancing weights, Registration No. 674,516, registered February 24, 1959; MICRO for vehicle wheel weights, Registration No. 686,840, registered October 20, 1959; MICRO-PRECISION for wheel balancers, Registration No. 689,867, registered December 15, 1959.

51. Plaintiff has continuously applied the mark MICRO-PRECISION to wheel balancers and to boxes containing wheel weights since its incorporation in 1957. The mark MICRO-PRECISION was applied to wheel balancers and to boxes containing wheel weights by plaintiff's predecessors prior to 1957. Plaintiff has continuously applied the mark MICRO to vehicle wheel weights since its incorporation.

52. The plaintiff permits its customers of wheel weights and balancers to display the mark MICRO-PRECISION in connection with the customers' retail automotive sales and service operations. In some instances the mark MICRO-PRECISION is used in conjunction with one or more trademarks of plaintiff's customers. Plaintiff's sales of its wheel balancers and weights under the aforesaid MICRO-PRECISION and MICRO trademarks have totaled many millions of dollars throughout the United States.

53. The defendant Wards purchased its wheel weights and balancers from Bada for use and distribution in all of its stores with automotive service stations throughout the United States from mid-1957 until May of 1961. The Bada balancers carried the mark WARDS along with the plaintiff's trademark MICRO-PRECISION.

54. The wheel weights purchased by Wards from plaintiff were imprinted with the mark WARDS and shipped in cartons bearing plaintiff's trademark MICRO-PRECISION. During the period of time that Wards was purchasing its requirement of wheel weights and balancers from plaintiff, plaintiff furnished Wards with 490 large metal signs advertising WARDS RIVERSIDE MICRO-PRECISION WHEEL BALANCING. On these metal signs the letters of the WARDS WHEEL BALANCING were several times larger than those used in the other words. During this same period of time Wards had large banners printed entitled "Wheels Balanced the Micro-Precision Way" without objections by plaintiff. The large signs and banners were displayed to the public by defendant Wards to promote the sale of the balancing of tires for the public.

55. Defendant Wards was at all times relevant to this controversy placed on notice that MICRO-PRECISION was a trademark of the plaintiff.

56. Wards ceased buying balancers and weights from the plaintiff in April and May, respectively, of 1961. Wards commenced buying FMC wheel balancers from the Defendant Dura and wheel weights from Plumbium Manufacturing Company in April of 1961. In September of 1962 Wards had 335 FMC wheel balancers in its auto service stations.

57. Wards did not remove the large signs and banners bearing the trademark MICRO-PRECISION from its auto service centers after it ceased selling the plaintiff's wheel weights and commenced selling Plumbium wheel weights and utilizing FMC wheel balancers. Wards made no effort to remove such signs and banners until September of 1962, at which time the Wards store managers were first notified that the signs and banners were to be removed or repainted. A second notice was also sent to the stores with tear sheets to be returned indicating whether or not the stores had removed the MICRO-PRECISION signs and banners. Quite a few of the tear sheets were returned without an indication that the signs and banners were in fact removed. The defendant Wards never followed up to determine if the signs and banners were in fact removed or repainted, except to write a letter to the four regional managers from whom no report back was received.

58. Wards did not exert reasonable efforts to insure that the signs and banners bearing the mark MICRO-PRECISION were removed in the stores which were selling Plumbium weights and utilizing only FMC balancers.

59. Defendant Wards had the right to display the mark MICRO-PRECISION in connection with its sales of wheel weights to the public only in those stores in which it had one of plaintiff's wheel balancers and was utilizing it to balance wheels for the public or in which it was selling plaintiff's wheel weights.

60. Defendant Wards did not, in the continued display of banners and signs bearing the trademark MICRO-PRECISION, intentionally try to trade upon the plaintiff's trademarks and/or intentionally try to cause confusion in the trade and customers of Wards were not misled into feeling that their wheels were being balanced in any particular way or by any particular method. [R. 11]

61. That defendant Wards offer proof of an attempt to discontinue use of the signs and banners bearing the trademark MICRO-PRECISION and other use of the trademark MICRO after September 1962, but with respect to approximately 38 of such stores Wards did not establish that they had done this effectively. Plaintiff is entitled to damages in the nominal sum of $150.00 per store against Wards as a result of such infringement and although the number of stores may be more or less than 38, there were 38 of such stores brought into question by the tear sheets comparable to Exhibit U based whereon the Court finds that the plaintiff is entitled to damages on this phase of the case against Wards in the sum of $5,700.00 or $150.00 times 38. Plaintiff is not entitled to damages based upon the amount of money made by Wards by the balancing of wheels from the time they stopped using plaintiff's wheel weights or balancers. Such profits in no wise stemmed from the fact that defendant Wards was ad-

vertising a particular kind of wheel weight or balancer which they were perhaps no longer using. [R. 18]

62. That in view of the facts found in Finding 61, supra, the Court finds that this is not a case for the awarding of an accounting of profits against defendant Wards for trademark infringement. [R. 9]

63. Defendant FMC and Big Four, knowing of plaintiff's trademark MICRO as applied to wheel weights and MICRO-PRECISION as applied to wheel balancers, adopted and used the mark MICRO BALANCE on wheel balancers manufactured by FMC and distributed by Big Four in 1961 and 1962, and 665 of such wheel balancers were either sold or used by salesmen as demonstrators, and, with respect to such balancers, plaintiff is entitled to an award of damages at the rate of $10.00 per wheel balancer and in the total sum of $6,665.00 judgment of such award of damages to be against defendant FMC with respect to one-half of such award and defendant Big Four with respect to the remaining one-half.

64. The plaintiff's trademarks MICRO and MICRO-PRECISION are not merely descriptive of the goods to which they are applied, but are good and valid trademarks.

65. The plaintiff has not abandoned its trademarks MICRO and MICRO-PRECISION by permitting the marks to be used by its customers without any control over the services rendered by its customers in selling the wheel weights or using the plaintiff's balancers.

Misuse and Anti-Trust

66. It was plaintiff's general practice to sell its ABC wheel weights packed in cardboard boxes which contained the following license notice:

"These weights are especially adapted for use in the balancing procedure covered by U. S. Patent No. 3,002,388. A royalty is included in the price of the weights for the right to use the patented procedure with these weights. A license to use the patented procedure with weights purchased from any source may be obtained from THE BADA CO. at the same royalty rate per weight."

67. The plaintiff sells its ABC wheel weights at prices which include the royalty for the use of the method covered by United States Letters Patent No. 3,002,388. Plaintiff sells other sized weights, not designated ABC, without the royalty included in the price to purchasers who do not want a license under Patent '388. Neither the license notice set forth in Finding 66 above, nor the invoices submitted by plaintiffs to its customers designated how much of the purchase price was allocable to the royalty.

68. The plaintiff distributed an application for a license to use the process covered by Patent '388 to many of its customers and stood ready to send such application to anyone desiring a license to use the method of said patent independently of the purchase of wheel weights. The application for a license designates precisely how much of the purchase price of plaintiff's ABC wheel weights is allocable to the license and how much is allocable to the purchase of the weights for each purchaser of the plaintiff's ABC wheel weights.

69. The application for a license distributed by the plaintiff provides that the royalty rate to anyone desiring to use the patented method shall be exactly the same whether such licensee purchases the ABC wheel weights from Bada or purchases weights from another

source. The royalty rate paid is fixed at so many cents per each wheel that is balanced utilizing the patented method, with the particular royalty rate for any customer or licensee depending upon the normal trade discount that such customer is entitled to receive. The normal trade discount follows the same functional discount structure that applies to the purchase of the plaintiff's ABC wheel weights, including the royalty rate in such purchase price. No customer of plaintiff has ever applied for, nor has anyone been granted a license pursuant to the application.

70. The license notice set forth in Finding No. 66 above was first used on boxes or cartons containing all three sizes of the ABC weights. At a later date the license notice was imprinted on boxes which contained weights of only one size. While it is possible that the combination of the ABC wheel weights may be especially adapted for use in the balancing procedure covered by United States Letters Patent No. 3,002,388, the weights of any single size are not. There was no deceptive intention on the part of the plaintiff in imprinting the license notice on boxes which contained only one size of the ABC weights.

71. It is quite likely that because of plaintiff's method of marketing some people who desired to use the process covered by Patent '388 chose to buy the plaintiff's weights rather than go to the trouble of finding out whether they could save money by obtaining from plaintiff only the license, but purchasing their weights elsewhere. The discouragement to potential licensees of the patented method from looking elsewhere for their wheel weights would have been only as strong as the inertia that might exist in the mind of the pur-

chaser against bestirring himself to inquire what a license would cost, since the license was available at the same royalty rate independently of the source of the weights.

72. In adopting and maintaining its marketing practices, it was not the purpose of the plaintiff to employ its Patent '388 to secure a limited monopoly to itself of an unpatented article used in applying the invention.

73. There is no evidence that plaintiff enlarged the scope of its monopoly afforded by Patent '388 or utilized said patent to restrain competition in any goods.

74. The plaintiff adopted and maintained its marketing practices in good faith, believing that under the circumstances sufficient notice was provided of the availability of a license without the need to purchase the plaintiff's wheel weights and the plaintiff in good faith believed that by the use of such practices it was not improperly insisting or encouraging that each license by accompanied by the purchase of plaintiff's weights.

75. The plaintiff's marketing practices with respect to the inclusion of a license with a prepaid royalty in the price of the ABC wheel weights and the offer of a license to any non-user of the plaintiff's weights at the same royalty rate does not render Patent '388 unenforceable or involve patent misuse.

76. The plaintiff has not committed any acts or used any of its patents or trademarks in violation of the anti-trust laws including 15 U.S.C. §§ 1, 2 and 14. The defendants further failed to prove any actual damage resulting from the plaintiff's alleged misuse or anti-trust violation.

CONCLUSIONS OF LAW

I

This Court has jurisdiction over the subject matter and of the parties.

II

Plaintiff is the owner of all right, title and interest in United States Letters Patent Nos. 3,055,221 and 3,002,388.

III

Claims 1, 5 and 8 of Patent No. 3,055,221 are invalid for lack of invention under 35 U.S.C. §103.

IV

Claims 1, 5 and 8 of Patent No. 3,055,221, if valid, are infringed by each of the defendants by the manufacture, sale and or use of both the first and second models of the accused devices.

V

Claims 1 and 2 of Patent No. 3,002,388 are invalid for lack of invention under 35 U.S.C. §103.

VI

Claims 1 and 2 of Patent No. 3,002,388, if valid, have been infringed by each of the defendants. Defendants FMC, Dura and Big Four have also actively induced infringement of said claims if valid.

VII

Plaintiff's trademarks MICRO-PRECISION as applied to wheel balancers and weights and MICRO as applied to weights and its United States Trademark Registrations Nos. 615,732; 686,839; 674,516; 686,840; and 689,867 are valid.

VIII

Defendant Wards' use of the trademark MICRO-PRECISION in each of its stores which balanced wheels

and did not utilize one of plaintiff's balancers or sell plaintiff's weights, infringed plaintiff's trademark MICRO-PRECISION.

IX

The use of the trademark MICRO BALANCE on wheel balancers by defendants Big Four and FMC infringed plaintiff's trademarks MICRO-PRECISION and MICRO.

X

Plaintiff is entitled to an Order permanently enjoining defendant Wards, its employees, privies, successors and assigns and any and all persons acting by or under authority from Wards from using the trademark MICRO-PRECISION or any colorable imitation thereof in connection with the sale or offering for sale of wheel weights or related products or services except in its specific stores where Wards is still utilizing one of plaintiff's balancers or selling plaintiff's wheel weights, and such persons are also permanently enjoined from advertising in any manner that they are using MICRO-PRECISION wheel weights when not using such weights, irrespective of whatever balancer may be used.

XI

Plaintiff is entitled to an Order permanently enjoining defendants FMC and Big Four, jointly, severally and their agents, employees, privies, successors and assigns and any and all persons acting by or under authority from said defendants from using the trademark MICRO BALANCE or any other colorable imitation of plaintiff's trademarks MICRO-PRECISION or MICRO in connection with the sale or offering for sale of any wheel balancers or wheel weights or any similar or related products.

XII

Plaintiff is entitled to damages resulting from the infringement of plaintiff's trademarks MICRO-PRECISION and MICRO by the defendant Wards based on the number of stores which the Court finds defendant Wards has not proved removed the MICRO-PRECISION and MICRO signs after notification to do so by the plaintiff and while the number of such stores is not certain, the Court finds that approximately 38 are in question and that $150.00 per store is a reasonable fee to be assessed as damages. Accordingly, the Court finds that the plaintiff is entitled to the sum of $5,700.00 damages against defendant Wards for infringement of its trademarks MICRO-PRECISION and MICRO, as provided in 15 U.S.C. §1117 and that there is no occasion for the award of profits or the ordering of an accounting.

XIII

Plaintiff is entitled to an award of damages resulting from the infringement of the plaintiff's trademarks MICRO-PRECISION and MICRO by the defendants FMC and Big Four in the sum of $6,650.00. Defendants FMC and Big Four having advised the plaintiff of their agreement to divide responsibility for such infringements, plaintiff's judgments shall be in the sum of $3,325.00 against FMC and $3,325.00 against Big Four.

XIV

Plaintiff did not misuse Patent No. 3,002,388 by selling ABC wheel weights for use in practicing the patented method with the royalty rate included in the purchase price and offering a license under the patent at the same royalty rate if the licensee wished to purchase the wheel weights from another source. *Dehy-*

drators Limited v. Petrolite Corporation, 117 F.2d 183 (9th Cir. 1941); *Mercoid Corp. v. Mid-Continent Co.*, 320 U.S. 661 (1944).

XV

Plaintiff did not misuse Patent No. 3,002,388 by the following license notice first affixed to cartons containing an assortment of its ABC wheel weights and later to cartons containing only a single size of its wheel weights:

> "These weights are especially adapted for use in the balancing procedure covered by U. S. Patent No. 3,002,388. A royalty is included in the price of the weights for the right to use the patented procedure with these weights. A license to use the patented procedure with weights purchased from any source may be obtained from THE BADA CO. at the same royalty rate per weight."

XVI

Plaintiff did not misuse Patent No. 3,002,388 by fixing the royalty rate at so many cents per each wheel that is balanced utilizing the patented method independently of the source of the weights with the royalty rate for any customer or licensee depending upon the normal trade discount that such customer is entitled to receive in purchasing plaintiff's ABC wheel weights with the royalty rate included in such purchase price.

XVII

The plaintiff did not enlarge the scope of the monopoly afforded by the Patent No. 3,002,388 or utilize that patent to restrain competition in any goods.

XVIII

Plaintiff has not violated any of the anti-trust laws including 15 U.S.C. §§ 1, 2 and 14.

XIX

The parties herein are not entitled to attorneys' fees.

XX

Each of the parties hereto shall bear its own costs.

Dated this 28th day of June, 1968.

/s/ William P. Gray
United States District Judge

Opinion of the Board of Appeals of the United States Patent Office.

Paper No. 23

Mailed, July 19, 1961. U.S. Patent Office Board of Appeals.

Appeal No. 391-52

In the United States Patent Office, Before the Board of Appeals.

Ex parte Fred J. Bageman

Application for Patent filed March 4, 1957. Serial No. 643,761. Wheel Balancing.

Christie, Parker, Hale and Wynne for appellant.

Before Brewrink and Manian, Examiners-in-Chief, and Bronaugh, Acting Examiner-in-Chief.

Bronaugh, Acting Examiner-in-Chief.

This appeal is from the refusal of the Examiner to allow claims 13 and 14 which were substituted for finally rejected claims 1, 5 and 12. The appealed claims are the only claims remaining in the application.

Claim 13 is representative and reads as follows:

> 13. A process for balancing an automobile wheel comprising positioning the wheel horizontally on a wheel-balancing machine, measuring, with a high degree of accuracy any deviation of the plane of the wheel from the horizontal, placing a set of four equal rim weights sufficient to balance the wheel loosely on one rim of the wheel adjacent the point of maximum effectiveness, adjusting the rim weights of said set together in pairs symmetrically and oppositely about said point of maximum effectiveness until said wheel is bal-

anced so that it is in a horizontal position, and thereafter transposing one weight from each pair to approximately corresponding circumferential positions on the rim located on the opposite side of the wheel and connecting the weights to the wheel.

The references specifically relied upon by the Examiner are:

Lowe	2,700,892	Feb. 1, 1955
Booth (British)	731,459	June 8, 1955

The following references have been discussed in the brief and answer as exemplary of the development of the prior art and consequently are before us:

Hume	2,052,295	Aug. 25, 1936
Morse	2,136,633	Nov. 15, 1938
Hunter	2,341,443	Feb. 8, 1944
Merrill et al.	2,383,405	Aug. 21, 1945

The subject matter of the appealed claims relates to a method of statically balancing an automobile wheel to insure its center of weight will be approximately at its center of rotation. In carrying out the method, a wheel is tested for static unbalance by the use of conventional testing equipment and if unbalance is found to exist weights of suitable magnitude are fixed thereto to counterbalance the same. In counterbalancing the wheel four weights of suitable size are loosely placed on one side of the wheel adjacent the wheel rim and diametrically opposite the heavy spot. These weights are moved in pairs symmetrically and oppositely until the wheel is statically balanced whereupon one weight of each pair is transferred to the opposite side of the wheel and all four weights are fixed to the wheel. This

mode of counterbalancing a wheel is stated to have two important advantages over the counterbalancing methods of the prior art. The first advantage results from the symmetrical and opposite movement of the weights from the point of maximum effectiveness whereby the weights have variable effectiveness and a minimum number of weight sizes may be relied upon to effect the counterbalance. The second advantage results from the transfer of one half of the weights to the opposite side of the wheel whereby the static unbalance is counterbalanced without disturbing the dynamic balance of the wheel.

The procedural steps involved in carrying out the claimed method are considered obvious from a reading of the appealed claims in light of the application drawing.

Claims 13 and 14 stand rejected as unpatentable over the prior art as exemplified by the Booth and Lowe references.

The Booth reference discloses a method of balancing an automobile wheel by testing for static unbalance and fixing a weight or weights thereto if unbalance is found to exist. The Booth testing procedure is identical with that disclosed and recited in the first two steps of the instant claims and the correction of unbalance is attained by loosely placing a weight or weights on one side of the wheel run and moving the same until balance is attained whereupon the location of the weight or weights is marked and after the wheel is removed from the testing equipment the weights are fixed to the wheel.

The Lowe reference discloses a method of balancing an automobile wheel by testing for both static and dy-

namic unbalance and fixing a weight or weights thereto if unbalance is found to exist. Lowe discloses that a weight is applied to one side of the wheel diametrically opposite the heavy spot of the wheel or said weight may be divided and placed on opposite sides of the wheel.

The Examiner has pointed out that the recited correction of the wheel unbalance comprises two essential steps, namely, (1) symmetrically and oppositely moving suitable balance weights from the light spot of the wheel to attain static balance and (2) dividing the weights used to attain the static balance between the inner and outer wheel surfaces to preserve dynamic balance. He has taken the position the Booth reference discloses the recited testing of the wheel for unbalance and the correction of the unbalance by the aforementioned Step 1 and since it is old in the art as shown by Lowe to correct for unbalance by the aforementioned Step 2, it would be obvious to one skilled in the art to combine these steps. Since the combination of said Steps 1 and 2 would result in the application of four weights to the wheel, the Examiner has concluded it would be obvious to start the combined balancing steps with four weights. The Examiner has not been persuaded by several affidavits of record showing commercial success of the recited method and advantages thereof over methods commonly used in the industry.

We have carefully considered the appealed claims in light of the reference disclosures and are not convinced that such disclosures fairly anticipate the method recited in these claims.

In our consideration of the appealed claims, we find the recited method consists in two essential procedures

(A) the testing of the wheel for static unbalance and (B) the correction of said static unbalance without upsetting its dynamic balance.

We find in the prior art, particularly the Booth reference, that the testing procedure comprehended by the first two recited steps is conventional. We also find in Booth a disclosure of counterbalancing by loosely placing weights on a wheel and moving the same until balance is indicated by the testing equipment and fixing the weights to said wheel. While Booth does not specifically state that the weights are of equal size and are symmetrically and oppositely moved with respect to the point of maximum effectiveness, we believe such weight and movement characteristics would be obvious to one of ordinary skill in the art, particularly in light of the Hume references. We find in Hume a disclosure of a static wheel balancing method wherein the counterbalance is effected by weights of "a single standard size" which are symmetrically and oppositely moved with respect to the point of maximum effectiveness. Accordingly, it is our opinion that the Booth and Hume references fairly disclose the herein recited wheel testing and balancing method insofar as it relates to the testing for static unbalance, the loose placing of a plurality of equal weights on one rim of the wheel, the adjusting of the weights symmetrically and oppositely of the point of maximum effectiveness until the wheel is counterbalanced and the fixing of the weights to the wheel. However, these references are lacking in the concept of using four weights and, after moving the same in pairs to attain static balance, transposing one weight from each pair to the opposite side of the wheel to avoid upsetting the dynamic balance of the wheel.

We find in Lowe a disclosure of dynamically testing an automobile wheel for unbalance of both the static and dynamic type and counterbalancing any unbalance by the addition of equal weights to the opposite sides of the wheel. However, we find disclosed the use of only two weights to attain the counterbalance and such weights are applied directly at the points of maximum effectiveness, as determined by the testing equipment. Consequently, we are not convinced that one of ordinary skill in the art would find in the Lowe disclosure the suggestion of modifying the Booth method by the use, manipulation and attachment of four weights in the manner recited in the instant claims.

While the balancing of an automobile wheel by the application of counterweights as determined by a static test is well known, as evidenced by the Booth, Hume and Morse references, each of these references disclose such counterbalance is attained by the application of a weight or weights to only one side of the wheel which would tend to unbalance the wheel dynamically. On the other hand the instant claims recite a method which not only attains the conventional static balance but which attains the same without unbalancing the wheel dynamically and such appears to us to constitute an improvement over the conventional methods of statically balancing an automobile wheel. Although the recited method of wheel balancing involves elementary engineering principles producing the expected results, as pointed out by the Examiner, the failure of the prior art as evidenced by the references before us, to include the recited step of transposing one weight of each pair to the opposite side of the

wheel to avoid upsetting the dynamic balance of the wheel is, in our opinion, persuasive of the unobviousness thereof.

We have carefully considered all of the references before us in reaching our decision but deem it unnecessary to discuss each reference as several of the same are cumulative as to the features relied upon. Consequently, we have limited our discussion to those references specifically relied upon by the Examiner and those which we have considered most pertinent to the issues under consideration.

For the above reasons, we shall not sustain the rejection of claims 13 and 14.

The decision of the Examiner is reversed.

REVERSED

/s/ James L. Brewrink
Examiner-in-Chief

/s/ Joseph C. Manian
Examiner-in-Chief

/s/ Frank H. Bronaugh
Examiner-in-Chief (Acting)
Board of Appeals

APPENDIX B.

Patent Resources Group
S. C. Yuter, J.S.D.
March 26, 1970

Patent Adjudication by Circuit Courts Subsequent to Graham v. John Deere (February 21, 1966) and Reported in U.S.P.Q. Prior to March 9, 1970.

Circuit (No. of Patents Since Deere)	% Valid		% Valid and Infringed		% Valid and Infringement Not Yet Decided
	Before Deere*	After Deere	Before Deere*	After Deere	
1 (8)	42.9	37.5	20.4	12.5	
2 (24)	26.6	24.8	14.4	16.5	
3 (16)	22.5	25.0	16.9	0.0	18.75
4 (18)	54.9	17.0	43.6	11.1	
5 (21)	59.7	43.0	43.8	33.3	
6 (13)	39.8	38.5	26.9	15.4	
7 (60)	52.1	50.0	35.3	35.0	3.3
8 (17)	23.3	0.0	10.0	0.0	
9 (45)	42.0	17.8	29.5	6.0	
10 (5)	61.9	20.0	57.2	20.0	
D.C. (3)	40.0	33.3	0.0	33.3	
Average**	42.3	27.9	29.0	15.7	2.0

*From The Encyclopedia of Patent Practice and Investment Management as quoted at 51 J.P.O.S. 332 (May 1969) for the period 1953-1963.

**Compare with Court of Claims—53 patents since *Deere*, with 60.3% valid and 49.0% valid and infringed.

APPENDIX C.

Claim 1 of Patent No. 3,002,388:

A process for balancing an automobile wheel comprising positioning the wheel horizontally on a wheel-balancing machine, measuring with a high degree of accuracy any deviation of the plane of the wheel from the horizontal, placing a set of four equal rim weights sufficient to balance the wheel loosely on one rim of the wheel adjacent the point of maximum effectiveness, adjusting the rim weights of said set together in pairs symmetrically and oppositely about said point of maximum effectiveness until said wheel is balanced so that it is in a horizontal position, and thereafter transposing one weight from each pair to approximately corresponding circumferential positions on the rim located on the opposite side of the wheel and connecting the weights to the wheel.

APPENDIX D.

Claim 1 of Patent No. 3,055,221:

In a wheel balancer, an upwardly extending substantially vertical support sleeve immovably fixed to a supporting base, a pedestal movably carried within the support sleeve, means for moving the pedestal between a raised and a lowered position, a pivot head substantially aligned with the pedestal which pivotally engages the pedestal in raised position and which is disengaged from the pedestal in lowered position, a wheel support member surrounding the support sleeve, means for detachably connecting the pivot head to the wheel support member, and means for biasing the pedestal from the raised to the lowered position responsive to removal of a wheel from the wheel support member when the pedestal is in the raised position.